

RECORDATION NO. 19966-A
FILED

LAW OFFICES
MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

10 LIGHT STREET

BALTIMORE, MARYLAND 21202-1487

TELEPHONE 410-727-6464

FAX 410-385-3700

January 15, 1999

CAMBRIDGE, MD
COLUMBIA, MD
EASTON, MD
FREDERICK, MD

MCLEAN, VA
ROCKVILLE, MD
TOWSON, MD
WASHINGTON, D.C.

JOHN A. STALFORT
410-385-3424

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

Re: Our File No.: 258-1922

Dear Mrs. Fort:

Enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:


Assignment of Lessor's Interest in Lease dated as of January 15, 1999 by Morgan Rail L.L.C. (1843 R. W. Berends Drive, S.W., Grand Rapid, Michigan 49509) in favor of FMB Bank (25 South Charles Street, Baltimore, Maryland 21201) which relates to the Lease Agreement dated as of the 25th day of January, 1996 between Rail Trusts Equipment, Inc. (1661 Beach Boulevard, Jacksonville Beach, Florida 32250) and Sault Ste. Marie Bridge Co. (6250 North River Road, Suite 9000, Rosemont, Illinois 60018) recorded with the Surface Transportation Board on Marcy 11, 1996 at 12:05 p.m., under Recordation No. 19966.

Also enclosed is a check to cover the costs of recording this document.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (800) 344-2532.

Sincerely,


Michele E. Sperato
Assistant to John A. Stalfort

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

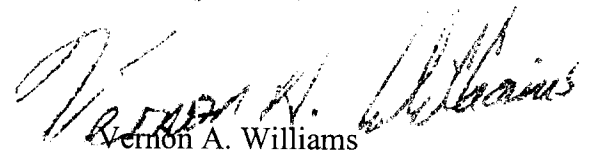
OFFICE OF THE SECRETARY

Michele E. Sperato
Miles & Stockbridge
10 Light Street
Baltimore, Maryland 21202-1487

Dear Sir/Madam:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/19/99 at 10:45 AM, and
assigned recordation numbers (s): 21980, 19966-A and 19967-A.

Sincerely Yours,

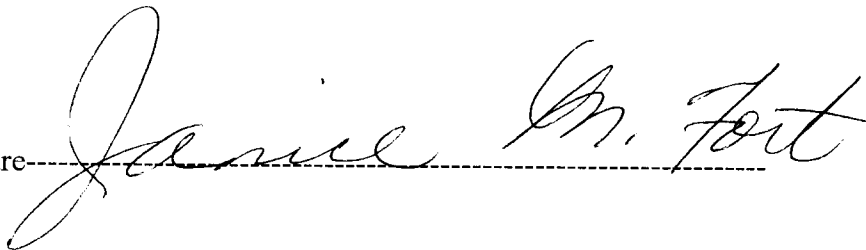

Vernon A. Williams

Enclosure(s)

78.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



STATE OF MARYLAND

SS:

CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Assignment of Lessor's Interest in Lease is a true and complete copy of said Assignment or Lessor's Interest in Lease.

WITNESS my hand and seal this 15th day of January, 1999.

Michelle E. Spexato
Notary Public

My Commission Expires: January 28, 2001

SCHEDULE A
to Assignment of Lessor's Interest in Lease

DESCRIPTION OF RAILCARS

One hundred thirty-seven (137) 2300 cubic foot, 100-ton open top hopper 1965-built railcars bearing the following marks and numbers:

SSAM 234200 through 234336, inclusive

19966 A
FILED

JAN 19 '99

10-45 AM

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASE (this "Agreement") is made as of this 15 day of January, 1999 by MORGAN RAIL L.L.C., a Michigan limited liability company (the "Assignor"), in favor of FMB Bank (the "Assignee").

RECITALS

A. Rail Trusts Equipment, Inc. has entered into that certain Lease Agreement dated as of January 25, 1996 (the "Lease") between Rail Trusts Equipment, Inc. and Sault Ste. Marie Bridge Co. (the "Lessee").

B. Pursuant to the Assignment of Leases dated February 28, 1996, Rail Trusts Equipment, Inc. has assigned all of its right, title and interest in and to the Lease to the Assignor.

C. Pursuant to the Bill of Sale dated March 5, 1996, KND Rail Services, Inc. has conveyed title to the Railcars (hereinafter defined) to Assignor.

D. The Assignor has, pursuant to the Purchase and Sale Agreement of even date herewith, sold to the Assignee all of the Assignor's right, title and interest in and to the railcars which are described on Schedule A attached hereto and made a part hereof (the "Railcars").

E. In connection with such sale of the Railcars, Assignor desires to assign to the Assignee all of the Assignor's right, title and interest in and to and obligations under the Lease which Assignee expressly desires to assume. Notwithstanding the foregoing, Assignor desires to retain, jointly and severally, with the Assignee, the rights to claim and demand indemnification and the defenses of the warranties under Section 16 and Section 23 of the Lease.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, the Assignor hereby agrees with the Assignee as follows:

1. Assignment. The Assignor hereby assigns to the Assignee all of the Assignor's right, title and interest in and to and obligations under the Lease, including, without limitation, all rent payable with respect to the Railcars which Assignee expressly assumes. Notwithstanding the foregoing, Assignor retains, jointly and severally, with the Assignee, the rights to claim and demand indemnification and the defenses of the warranties under Section 16 and Section 23 of the Lease. The Lease's assignment is subject to any right of Lessee to use and possession in accordance with Section 5 of the Lease.

2. Representations and Warranties. The Assignor hereby represents and warrants to the Assignee the following:

(a) to the best of the Assignor's knowledge there are no defaults or events of defaults under the Lease;

- (b) the Lease is presently in full force and effect;
- (c) no rent under the Lease has been paid in advance;
- (d) Assignee will be entitled to receive rental payments in amounts and for periods of time as follows: Fixed Rent in the amount of _____ per Railcar per quarter beginning on _____ and continuing through and including _____. Assignee will also be entitled to receive any other payments due Lessor under the Lease for the periods of time described above, all such payments to be made in accordance with the terms of the Lease.
- (e) The Assignor has not assigned, encumbered or transferred in any way its interest in the Lease; and
- (f) a complete copy of the Lease is attached hereto as Exhibit A.

3. Additional Instruments. The Assignor shall execute and deliver such further instruments and take such actions as shall be reasonably required in order to carry out the transactions contemplated by this Agreement.

4. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement comprises the complete understanding of the parties and there are no understandings, either written or oral, except as specifically set forth in this Agreement. No changes may be made in this Agreement unless specifically reduced to writing and accepted by both parties. All prior negotiations and understandings of the parties are deemed merged into this Agreement.

(b) Amendment and Waiver. This Agreement may be amended, or any portion of this Agreement may be waived, provided that such amendment or waiver shall be in writing, executed by the parties to which any particular provision specifically relates and all such amendments and waivers made shall be binding upon the parties. No course of dealing between or among any persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

(c) Inurement to Benefit of Assigns. All of the terms and provisions of this Agreement shall be binding upon, apply and inure to the benefit of the parties, their respective successors and assigns.

(d) Severability. Each of the terms and provision of this Agreement, except for the payment of the purchase price to Seller, is and is deemed to be severable, in whole or in part. and, if any term or provision or their application in any circumstance should be invalid, illegal or unenforceable, the remaining terms and provisions or their application, to circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected and shall remain in full force and effect.

(e) Exhibits and Schedules. All exhibits and schedules attached to this Agreement are incorporated and made a part of this Agreement by reference.

(f) Paragraph Headings. All paragraph and subparagraph headings are for convenience only and do not in any way limit to construe the contents of the paragraphs.

(g) Rights and Remedies. All rights and remedies granted any of the parties under this Agreement shall be cumulative.

(h) Survival of Representatives and Warranties. All representations, warranties and indemnifications shall survive the closing of the transactions contemplated by this Agreement.

(i) Governing Law. The law of the State of Maryland shall govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

(j) Construction. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural. This Agreement and all instruments executed to consummate the transactions contemplated shall be deemed to have been mutually negotiated, prepared and drafted, and in the event of its interpretation no consideration shall be given to the issue of which party prepared, drafted or requested any term, condition or agreement.

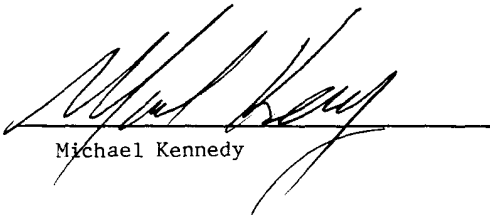
[SIGNATURES APPEAR ON FOLLOWING PAGE]


IN WITNESS WHEREOF, the Assignor has executed this Agreement under seal by its duly authorized officers as of the day and year first written above.

ATTEST:

MORGAN RAIL L.L.C. ("Seller")

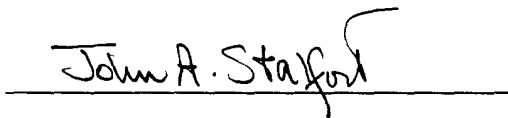
By: KND Rail Services, Inc.,
Manager



Michael Kennedy

By:  (SEAL)
Roger A. Duros,
President

WITNESS:

FMB BANK

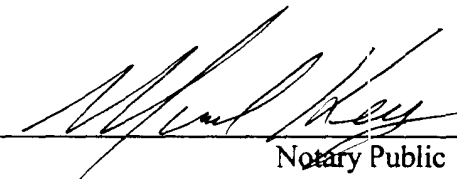

John A. Stafford

By:  (SEAL)
Richard M. Folio
Vice President

STATE OF MICHIGAN, COUNTY OF EMMET, TO WIT:

I HEREBY CERTIFY, that on this 13 day of January, 1999, before me, personally appeared Roger A. Duros, to me personally known, who being by me duly sworn, says that he is the President of KND Rail Services, Inc., a member and the Manager of Morgan Rail L.L.C., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and Notarial Seal.


Notary Public
Michael Kennedy

(SEAL)

My Commission Expires: 9/6/2001

STATE OF MARYLAND, City OF Balto, TO WIT:

I HEREBY CERTIFY, that on this 15th day of December, 1998, before me, the undersigned, a Notary Public of the State of Maryland, personally appeared Richard M. Folio, the Vice President of FMB BANK, a national banking association, known (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President of said Bank by signing the name of the Bank by himself as Vice President.

AS WITNESS my hand and notarial seal.

Michelle E. Sperato
Notary Public

(SEAL)

My Commission Expires: January 28, 2001

#181091: 258/1922/FN192204 ASS/mes

EXHIBIT A
to Assignment of Lessor's Interest in Lease

COPY OF LEASE